

**GOVERNMENT OF INDIA**

**MINISTRY OF FINANCE**

**RAJYA SABHA**

**QUESTION NO 09.11.2010**

**ANSWERED ON**

**BANKING NETWORK IN REMOTE AREAS OF ORISSA AND RAJASTHAN .**

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SHRI RAMDAS AGARWAL

Will the Minister of FINANCE be pleased to state :-

- (a) the extent of coverage of banking network and provision of services in the hilly inaccessible / remote and desert areas of the country;
- (b) whether all such areas of Rajasthan and Orissa are not adequately covered by the branches of the public sector banks;
- (c) if so, the details thereof; and
- (d) the action taken by Government to improve the banking network and services in these two States?

**ANSWER**

The Minister of State in the Ministry of Finance

(Shri Namoo Narain Meena)

(a) to (d):- There are approx. 6 lakh rural habitations in India. The Reserve Bank of India (RBI) has reported that as on June 30, 2010 there are 88,363 offices of Scheduled Commercial Banks (SCBs) in the country. The numbers of offices in semi-urban and rural areas constitute around 61 per cent of the total number of bank offices in the country. The RBI has also reported that the all India average population per office as on June 30, 2010 was 13,400. In spite of the presence of these banking offices, a significant proportion of the households, especially in rural areas and in remote and inaccessible areas, remain outside the fold of the formal banking system. To extend the reach of banking to those outside the formal banking system, the Finance Minister in his Budget Speech 2010-11 had stated that the Government, in consultation with the Reserve Bank of India (RBI), has decided to provide appropriate banking facilities to habitations having population in excess of 2000 (as per 2001 census) by March, 2012. These services will be provided using the Business Correspondent and other models, with appropriate technology back up. The Banks have already initiated action to implement these plans. The State Level Bankers Committees (SLBCs) have drawn up plans for Financial Inclusion for each State including the State of Rajasthan and Orissa and have identified approx. 73,000 habitations with a population of 2000 and over for providing banking services. The Bank of Baroda is the SLBC Convener Bank for the State of Rajasthan. It has reported that the Thar Desert occupies the western and north-western part of Rajasthan State consisting the districts of Bikaner, Jodhpur, Barmer and Jaisalmer. The banking net work in these districts as on March, 2010 is as under:

District	Number of bank branches	Population per branch		
	Urban	Semi -urban	Rural	
Bikaner	78	17	91	8997
Jaisalmer	-	14	35	8813
Jodhpur	126	20	93	12078
Barmer	-	18	86	18892

As per the financial inclusion plan for Rajasthan, banking services shall be provided to 407 villages with a population of over 2000, by March, 2012. The UCO Bank is the SLBC Convener Bank for the State of Orissa. As per financial inclusion plan for Orissa, banking services shall be provided to 1878 villages with a population of over 2000, by March, 2012.